

SENATE BILL 504

By Powers

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18; Title 56 and Title 71, relative to air
ambulance memberships.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, is amended by adding
the following as a new part:

47-18-5601.

As used in this part:

(1) "Air ambulance membership agreement":

(A) Means an agreement in exchange for consideration to pay for,
indemnify, or provide an amount or benefit to a person for the cost of air
ambulance services; and

(B) Does not include a health insurance plan or policy regulated
under title 56; and

(2) "Consumer protection division" or "division" means the consumer
protection division of the office of the attorney general and reporter.

47-18-5602.

(a) An individual or entity shall not sell, offer for sale, or provide an air
ambulance membership agreement to an individual who is enrolled in TennCare.

(b) If an individual who has purchased or who has otherwise been provided with
an air ambulance membership agreement subsequently enrolls in TennCare during the
duration of the membership agreement, then the individual is entitled to a pro-rated
refund of any consideration paid.

47-18-5603.

(a) All air ambulance membership agreement websites, brochures, and marketing material must include the following disclosure in at least eighteen-point Times New Roman font:

TennCare covers air ambulance transport services and requires no out-of-pocket expense by the enrollee. Therefore, an enrollee in TennCare does not need an air ambulance membership agreement. It is unlawful for [seller] to sell an air ambulance membership agreement to an enrollee in TennCare.

(b) An air ambulance membership agreement application must include the following disclosure in at least eighteen-point Times New Roman font:

TennCare covers air ambulance transport services and requires no out-of-pocket expense by the enrollee. Therefore, an enrollee in TennCare does not need an air ambulance membership agreement. It is unlawful for [seller] to sell an air ambulance membership agreement to an enrollee in TennCare. By submitting this application, you attest to the fact that you are not currently, nor do you plan to be, enrolled in TennCare.

If you are not currently enrolled in TennCare but become enrolled at any time during the duration of the membership agreement, then you are entitled to a pro-rated refund and may contact [seller] to obtain your refund.

47-18-5604.

(a) If an enrollee believes that an individual or entity has violated this part, then the enrollee may submit a complaint to the consumer protection division.

(b) If the consumer protection division believes, based on a complaint received pursuant to subsection (a) or another source, that an individual or entity has violated this part, then the division shall fine the individual or entity five thousand dollars (\$5,000) per violation. For purposes of determining the number of violations committed by the individual or entity:

(1) Each instance of knowingly selling, offering for sale, or providing an air ambulance member agreement to an individual who is enrolled in TennCare, in violation of § 47-18-5602(a), constitutes a separate violation; and

(2) Each instance of failing to provide a refund as required by § 47-18-5602(b) constitutes a separate violation.

(c) The division may assess an additional fine for each instance of an individual or entity's failure to comply with § 47-18-5603.

(d)

(1) If an individual or entity is fined more than fifty thousand dollars (\$50,000) in a calendar year, then the individual or entity shall initiate and complete a corrective action plan, as approved by the division.

(2) If the division determines that an individual or entity failed to complete a corrective action plan as required by subdivision (d)(1), then the individual or entity loses the individual or entity's right to sell or otherwise provide memberships for an air ambulance transport service in this state permanently.

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it, and applies to conduct occurring on or after that date.